**UEETA ‘A’ LEVEL ENT. EDUCATION - SEMINAR 2022**

**ANSWER GUIDE**

1(a)(i) **An entrepreneur** is a person who organises, operates and assumes risks for a business (venture)

**OR**

**An entrepreneur** is a person who produces new and better goods and services with a view of selling them to customers to make a profit.

(ii) Factors that limit entrepreneurs from adopting change in their businesses.

* Limited capital
* Limited raw materials
* Limited skilled labour
* Low level of technology
* Limited market
* High rate of labour turnover
* Uncertainties
* Resistance from employees
* Varied entrepreneurs’ professions.
* Unfavourable government regulations on businesses.

(b) Reasons for ensuring proper financial record keeping in business.

* To help the business in calculating profits or losses made.
* To provide information on credit transactions i.e creditors and debtors.
* To act as a tool for control or monitoring.
* To guide in tax assessment.
* To help in the planning process.
* To facilitate acquisition of a loan.
* To determine the financial position of the business.
* To guide / attract new investors.
* To control fraud / to be used for auditing purpose.
* To help in lobbying government support.
* To help a business to be listed on stock exchange market.

c(i) **Entrepreneurial environment** refers to a combination of external factors and their organic integration which make an impact in business start-up process by the entrepreneur **while entrepreneurial culture** refers to culture that encourages the whole population to take advantage of opportunities in the environment.

(ii) **Economic environment factors that affect entrepreneurship**.

* Economic policy
* Administrative issues / procedures / policies
* Level of infrastructural development / infrastructural development.
* Level of development of financial systems.
* Legal requirements
* Availability of resources
* Cost of business
* Economic incentives

d(i) **Feasibility study** refers to the analysis or assessment of the viability of a business idea.

(ii) **Benefits of carrying out a feasibility study before starting a business**.

* Provides quality information for decision making.
* Helps to increase investment in the business.
* Provides documentation that the business venture was thoroughly investigated.
* Helps in securing funding from lending institutions and other sources.
* Identifies new / better opportunities.
* Narrows business alternatives.
* Serves as a solid foundation for developing a business plan.
* Enhances the chance / probability of success of the business opportunities.

(e) **Adverse effects of business competition to an entrepreneur.**

* Leads to limited or small market share.
* Increases costs of production.
* Leads to resource wastage.
* Leads to resource exhaustion.
* Lowers the profits of the business
* Reduces the morale of the entrepreneurs who lose out.
* Increases labour turnover.
* Increases unemployment.
* Misleads customers / distorts customers’ choices.
* Promotes duplication of goods/services.
* Limits research.
* Limits expansion of the business enterprise.

**PART II: SECTION B– PAPER ONE – P230/1**

2(a) **Managerial skills of an entrepreneur.**

* Marketing skills
* Skill of creativity and innovativeness
* Planning / organisational skills.
* Time management skills
* Financial management skills
* Risk management skills
* Leadership skills
* Communication skills
* Purchasing skills
* Negotiation skills
* Human resource management skills / interpersonal skills.
* Skill of coping with change.
* Production management skills.

(b) **Relevance of observing business ethics to an entrepreneur.**

* They help an entrepreneur to overcome competition.
* They help to build/maintain good business image.
* They enable the entrepreneur to meet the obligations or needs of customers and business partners.
* They help to increase business sales / turnover.
* They promote employee efficiency / productivity.
* They increase business profits.
* They help reduce labour turnover.
* They help to attract government support.
* They enable the entrepreneur to operate within the law.
* Enable the business to attract or access human resources.
* They enable easy access of business inputs.
* They enable entrepreneur create good relationship with different stakeholders.
* They enable the entrepreneur be trusted hence increased customer satisfaction and loyalty.

NB: Benefits can be picked from any other ethics observed towards different stakeholders.

3(a) **Sources of business ideas available for entrepreneurs**.

* News papers
* Magazines / periodicals / journals
* Hobbies / personal interests
* Trade shows and exhibitions
* Market survey
* Brain storming
* Customers’ complaints
* Skills and experience
* Personal contacts
* Studying government policy development plans
* Role models / successful entrepreneurs.
* Internet
* Franchise
* Talents / personal abilities
* Radio programmes
* Television programmes
* Vocational training
* Reflective / creative thinking
* Workshops / seminars
* Competitors / competition

(b) **Procedure of turning a business idea into a product / a business opportunity.**

* Documenting the business idea / invention
* Researching the idea.
* Making a prototype.
* Filing a patent / protecting the invention
* Marketing the invention

4(a) **Factors that affect the level of profits for a business.**

* Price level / rate of inflation
* Cost of production
* Goal / objective of the entrepreneur
* Entrepreneurial skills / organisational ability
* Degree of risks involved.
* Level of output
* Market size / level of demand
* Level of competition

(b) **Strategies for increasing profits in business**

* Buying raw materials / stock in bulk from cheaper sources
* Employing cheaper skilled labour.
* Employing few motivated workers
* Paying workers relatively low wages but enough to promote efficiency and effectiveness
* Employing part time workers
* Reducing fringe benefits for labour
* Making labour work for longer hours.
* Charging higher prices
* Providing quality products or services
* Providing a variety of products
* Being creative and innovative

5(a) **Contents that should be included in a business plan**.

* Executive summary
* General description of the business
* Statement of Vision, Mission, Goals and Objectives
* Production / technical plan
* Marketing plan
* Organisational / management / administrative plan
* Financial plan
* Action / implementation / work plan
* Appendix
* Cover page

(b) **Reasons why an entrepreneur should prepare a business plan.**

* To test the feasibility of a business idea.
* To give the new business the possible chance of success
* To act as security for acquiring a loan.
* To make business planning manageable and effective.
* To attract other investors
* To determine the financial position of the business / to calculate profits or losses made.
* To provide information on credit transactions.
* To guide in tax assessment.
* To enable an entrepreneur remain focused.
* To act as a time table for implementation.
* To serve as a bench mark / yard stick to performance.
* To obtain external support eg tax exemptions.
* To define specific goals and objectives.
* To reveal gaps for future research.
* To identify barriers in advance.

**NB: Any component of the business plan can come up with as many reasons as possible.**

6(a) **Methods of costing a product used by entrepreneurs.**

* Job costing ie costing each job or work order.
* Contract costing i.e costing according to agreement.
* Batch costing i.e costing identical/similar products.
* Process costing ie costing according to different stages or processes of production for a given product.
* Service costing i.e determining the cost of providing or rendering a service.
* Operation costing i.e costing per unit.
* Multiple / composite costing i.e determining the cost of the product using two or more methods of costing.

(b) **Factors that may lead to production of low quality products in an enterprise**.

* Low level of cleanliness of the workplace.
* Inappropriate packaging materials used.
* Absence of technical specifications regarding quality.
* Low quality raw materials used.
* Unfavourable working conditions / low level of employee motivation.
* Inadequate market research.
* Limited monitoring and supervision.
* Inappropriate / inadequate storage facilities.
* Low level of technology / inappropriate technology used.
* Limited skilled labour.
* Low level of innovations and creativity.
* Use of inappropriate distribution channels / strategies.
* Unclear production process.
* Improper technical assessment and servicing.
* Limited / unclear instructions given to workers.

**7(a) Different tasks of a Human Resource Manager of an organisation.**

* Recruiting qualified / competent workers.
* Inducting new employees
* Promoting placement of employees
* Remunerating / paying employees
* Training employees
* Motivating employees
* Managing employee discipline
* Carrying out objective performance appraisal.
* Promoting business image / representing the organisation.
* Terminating of incompetent workers.
* Managing employee benefit programmes.
* Ensuring effective communication
* Providing assistance / advice to top management on issues of policy or concern.

(b) **How a Human Resource Manager can reduce labour turnover in an organisation;**

* Providing training to workers at the company’s cost.
* Providing appropriate fringe benefits to workers eg medical care.
* Ensuring good retirement packages.
* Promoting open / clear / effective communication in an organisation.
* Ensuring prompt or timely payment and fair pay for workers.
* Ensuring job security to workers.
* Showing concern to workers problems or challenges.
* Carrying out objective employee performance appraisal.
* Appreciating workers’ efforts or contributions.
* Respecting all workers.
* Involving workers in decision making / empowering of employees.
* Promoting workers on merit or objectively.
* Ensuring good / favourable working conditions for all workers in the business.
* Specifying the duties and responsibilities of all the workers.
* Giving each worker a reasonable work load.
* Ensuring proper / friendly monitoring and supervision of all the workers / ensuring good leadership of the workers.
* Promoting team work among the workers.
* Ensuring proper handling of workers’ discipline.

8(a) **The marketing techniques and strategies used by entrepreneurs.**

1. **Marketing techniques**;
   * Advertising
   * Decision making
   * Effective communication
   * Negotiation
   * Attractive display
   * Quality improvement
   * Personal selling / creative selling
   * Favourable pricing policies and strategies / price reduction.
2. **Marketing strategies;**
   * Networking
   * Referrals
   * Writing promotional information
   * Advertising
   * Giving free information to interested or potential customers.
   * Cold calling
   * Offering a guarantee / warrantee

(b) **Basis of market segmentation by entrepreneurs.**

* Demographics i.e dividing the target market according to the demographic features like age, sex etc
* Geography i.e dividing the target market based on location.
* Psychographic i.e dividing the target market basing on life style, personality, opinions, attitudes etc
* Benefits sought ie market segmentation depends on the benefits consumers derive / seek from the product(s)
* Discussion ie market segmentation depends on the decisions to be made by the entrepreneurs in business eg pricing decisions.
* Generation i.e dividing the target market / consumers according to the generation they belong.
* Product usage i.e grouping the customers depending on their behavior/habit on product usage.
* Socio – economic characteristics ie target market is grouped considering income, occupation and education.
* Geo-demographic i.e target market is divided basing on both geographic and demographic characteristics.
* Behavior i.e customers are divided according to their character towards the product eg usage rate, brand loyalty etc.

9(a) **Principles / canons / doctrines of a good tax system.**

* Simplicity.
* Equity / fairness
* Convenience
* Certainty
* Economy / cheapness / efficiency
* Ability to pay
* Flexibility / elasticity
* Productivity
* Neutrality / impartiality
* Comprehensiveness / diversity
* Consistency
* Avoidance of double taxation.

(b) **Impact of taxation on entrepreneurial activities in Uganda.**

**Positive impact of taxation;**

* Helps to raise government revenue.
* Reduces income inequality / helps in income redistribution
* Controls inflation
* Discourages consumption / production of harmful or undesirable products.
* Helps to create employment opportunities.
* Controls monopoly power.
* Improves the country’s balance of payments position.
* Encourages forced saving
* Promotes / encourages hardwork.
* Reduces dependence on foreign aid.
* Protects domestic infant industries.
* Discourages dumping
* Promotes economic growth

**Negative impact of taxation;**

* Increases / widens income inequalities.
* Causes inflation.
* Discourages investment
* Discourages saving
* Discourages hard work
* Causes diversion of resources.
* Creates resentment making the government unpopular.
* Encourages trade malpractices like smuggling.
* Leads to a reduction in people’s welfare.
* Reduces the volume and benefits of trade.

**10(a)** Bakery’s Vision statement, Mission statement and Objectives.

BLESSED BAKERY

P.O BOX 100,

MUKONO

0772 100100

1. **Vision statement – “**To become the leading bakery in providing high quality bakery products in Uganda”.
2. **Mission statement –** “To produce / provide high quality bakery products by using modern bakery technology”.
3. **Objectives;**

* To increase the sales of bakery products by 10% within 2 months.
* To increase profits from the sales of bakery products by 8% in 4 months.
* To expand the market share for the bakery products by 10% in 6 months.
* To train 100 youths in Mukono district in baking skills within 5 months.
* To establish 3 new bakery branches in Mukono district within 10 months.
* To introduce 5 new bakery products on the market within 9 months.

(b) **Programme for determining the profitability of the business opportunity.**

BLESSED BAKERY

P.O BOX 100,

MUKONO

0772 1001001

PROGRAMME FOR DETERMINING THE PROFITABILITY OF THE BUSINESS OPPORTUNITY.

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE 2022** | **ACTIVITY** | **PERSON(S) IN CHARGE** | **REMARKS** |
| Current / future dates | * Deciding on the type of business to start/set up. * Choosing location for the business. * Forecasting / estimating the sales. * Estimating the total costs. * Estimating the profits. | Fill in names / titles |  |

Prepared by: opio amos Approved by; Signature: ………………

OPIO AMOS Name: ………………….

GENERAL MANAGER Title: …………………...

(c) **An advert for the post of a Human Resource Manager.**

BB BLESSED BAKERY

P.O BOX 100,

MUKONO

0772 100100

**JOB ADVERT**

Blessed bakery was established in 2018 by Mr. Onyait Peter. It deals in bakery products like bread, cakes, half cakes and cookies.

Job title: Human Resource Manager

Job reference number: BB/HRM/4/6/2022

Job summary: The main purpose of this job is to manage the human resource

department.

Job duties and responsibilities; - Recruiting qualified workers.

- Terminating incompetent workers.

- Supervising the workers.

Academic qualifications; Degree in Human Resource Management.

Reporting line: Reports to General manager

Working experience: At least 5 years working experience as a Human Resource manager with reputable enterprise.

Age limit: Between 25 years to 40 years.

Remuneration / salary: Net of Shs.2,000,000 per month.

Duty station: Head office

Special skills: -Team player

-Computer literate

Procedure of application; Submit hand written application to the general manager.

Deadline for submission: Not later than 15.6.2022

Gender preference: Male

Marital status: Married

Place of residence: Residing within Mukono Municipality

(d) **Guidelines for promoting innovations in the business.**

BLESSED BAKERY

P.O BOX 100,

MUKONO

0772 100100

GUIDELINES FOR PROMOTING INNOVATIONS IN THE BUSINESS

* + - The bakery business shall expect change.
    - The bakery business shall implement new rules.
    - The bakery business shall develop innovative strategies.
    - Barriers to innovation shall be avoided in the bakery business.
    - The bakery business shall be fast in implementing customers’ needs.
    - Workers shall think like entrepreneurs.
    - The entrepreneur shall always be a learner.
    - Performance indicators shall be measured.
    - The bakery business shall consider doing well.

**NB: Guidelines MUST be specific**

11(a) **Daily distribution schedule for poultry products.**

UNIQUE POULTRY FARM

P.O BOX 50,

TORORO

0700 505050

**DAILY DISTRIBUTION SCHEDULE FOR POULTRY PRODUCTS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Day** | **Time** | **Product** | **Market / place / customer** | **Quantity** | **Person(s) incharge** | **Means of delivery or vehicle number** | **Remarks** |
| Monday | 10:00 am  to  1:00pm | Eggs | Kwapa | 20 trays | Okile Paul | Delivery van / UBG 144U |  |

Made by; akileng john Approved by: Signature: ………………

AKILENG JOHN Name: …………………

MARKETING MANAGER Title: ………………….

(b) **Written invoice for a customer who has purchased good.**

UNIQUE POULTRY FARM

P.O. BOX 50

UPF

TORORO

0700 505050

**INVOICE**

Invoice No: 1400

Date: 4/6/2022

Reference order No.1640

To: Never give up enterprises

P.O. Box 70,

Busia

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SERIAL NUMBER** | **DETAILS** | **QUANTITY** | **UNIT COST (SHS)** | **AMOUNT (SHS)** |
| 001 | Eggs | 50 trays | 10,000 | 500,000 |
| 002 | Chicks | 100 | 2000 | 200,000 |
| **TOTAL** |  |  |  | 700,000 |

**E & OE**

Terms of delivery: Free delivery

Terms of payment; - All payments shall be made by cash or bank draft.

- Cash discount of 2% is offered.

Written / prepared by: mukasa job Received by: Signature …………………

MUKASA JOB Name: ……………………

SALES MANAGER Title: ……………………..

(c) **Cash management policy for the business.**

UNIQUE POULTRY FARM

P.O BOX 50,

TORORO

0700 505050

CASH MANAGEMENT POLICY

* All cash payments / expanditures shall be authorized / approved by the finance manager.
* All business documents related to financial matters like sales receipts, sales invoices etc shall be kept in lockable drawers.
* All cash received and paid out shall be properly documented / recorded in receipts, cash sale, payment voucher etc.
* All cash at the business premises shall be kept under lock and key.
* All cash received shall be banked intact.
* All money payments like for salaries shall be made through the bank.
* Proper accountability of funds received and paid out shall be ensured.
* Proper counting and checking of cash received and paid out shall be ensured eg cash/money counting machine shall be used.
* Bank reconciliation statements shall be done regularly like weekly.
* All the cash of the business shall be spent according to the vote of the business.
* Proper financial records shall be made for all the financial transactions like in the books of accounts such as cash books.
* Money to and from the bank shall be guarded by armed security.
* Proper financial system shall be observed / put in place like auditing books of accounts annually.

(d) **A budget for working capital requirements for the business.**

UNIQUE POULTRY FARM

P.O BOX 50

TORORO

0700 505050

BUDGET FOR WORKING CAPITAL REQUIREMENTS FOR THE BUSINESS

|  |  |
| --- | --- |
| **DETAILS** | **AMOUNT(SHS)** |
| Purchase of business inputs | 3,000,000 |
| Transport costs | 1,000,000 |
| Utilities costs | 500,000 |
| Direct labour costs / payment of labour | 4,000,000 |
| Marketing / promotion / advertising expenses | 1,500,000 |
| Administrative expenses | 2,000,000 |
| **TOTAL** | **12,000,000** |

12(a) **Designed work order form for the business.**

BS BABA SHOE FACTORY

P.O. BOX 200

JINJA

0752 200200

**WORK ORDER FORM**

Form number: 1440 Date: …………………

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Customer’s name & address | Work order number | Description of work to be done | Employee responsible | Starting time/date | Ending time / date | Total job cost | Remarks |
|  |  |  |  |  |  |  |  |

Submitted by; Approved / received by;

Signature: ………………………. Signature: ……………………………

Name: …………………………… Name: ………………………………..

Title: …………………………….. Title: …………………………………

(b) **Guidelines for developing an effective marketing strategy.**

BABA SHOE FACTORY

P.O. BOX 200

JINJA

0752 200 200

GUIDELINES FOR DEVELOPING AN EFFECTIVE MARKETING STRATEGY

* + - * The business shall apply networking.
      * The business shall make use of referrals.
      * The business shall apply cold calling.
      * Promotional information shall be written.
      * The business shall advertise its products.
      * The business shall give free information to interested / potential customers.
      * The business shall offer guarantees
      * The business shall put in place a product launch plan.

**NB: Guidelines must be specific.**

(c) **A plan for conducting personal selling**.

BABA SHOE FACTORY

P.O. BOX 200

JINJA

0752 200200

PLAN FOR CONDUCTING PERSONAL SELLING

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE**  **2022** | **ACTIVITY** | **PERSON(S) INCHARGE** | **REMARKS** |
| Current / future dates | * Developing pre-customer contact * Prospecting * Making initial contact * Presenting the products * Handling of objections of customers * Closing the sale * Suggestion selling * Making sales follow up. | Fill in names / titles |  |

Drawn by: isabirye sam Approved by: Signature:………………

ISABIRYE SAM Name: ………………….

SALES MANAGER Title: ……………………

d) **Strategies for ensuring good customer care in the business.**

BABA SHOE FACTORY

P.O. BOX 200

JINJA

0752 200 200

STRATEGIES FOR ENSURING GOOD CUSTOMER CARE

* + - * Being honest and trust worthy to customers.
      * Welcoming customers warmly and with a smile.
      * Handling of customers’ complaints promptly and well or tactfully.
      * Providing prompt / timely and excellent services to the customers.
      * Providing appropriate after sale services to the customers.
      * Providing / offering good quality goods/services to the customers.
      * Being available and efficient to serve the customers.
      * Being pleasant to the customers.
      * Treating the customers with respect / using good business language to communicate with the customers.
      * Having adequate knowledge of the products on sale.
      * Offering / extending credit facilities to loyal / credit worthy customers.
      * Charging fair/affordable prices to customers for goods/services.
      * Giving discounts to customers who buy products in bulk or pay promptly.
      * Ensuring added convenience to the customers.

13(a) **Memo to sales staff to attend an urgent meeting.**

JERO METAL FABRICATION ENTERPRISE

P.O BOX 739,

MBARARA

0701 739739

FROM: General Manager

TO: Sales staff

DATE: 4th June, 2022

REFERENCE NUMBER: JMFE/SS/4/6/2022

**RE: URGENT MEETING**

All sales staff are requested to attend in person an urgent meeting to take place on 5th June 2022 in the conference room at 10:00am without fail. The purpose of the meeting is to discuss ways of promoting sales.

**Atamba james**

**ATAMBA JAMES**

**GENERAL MANAGER**

C.C: SALES MANAGER

JMFE

**MEMO**

(b) **Instructions for managing workers’ welfare.**

JERO METAL FABRICATION ENTERPRISE

P.O BOX 739,

MBARARA

0701 739 739

**INSTRUCTIONS FOR MANAGING WORKERS’ WELFARE**

* Safe drinking water shall be provided to workers in all work places.
* Regularly cleaned sanitary facilities like separate toilets or wash rooms accessible to both male and female employees shall be provided.
* Appropriate meals for workers at the work place shall be provided.
* Comfortable and hygienic place(s) for taking meals like dining hall shall be ensured/provided.
* Resting time and resting places or rooms for workers to make them refreshed shall be provided.
* Recreational facilities shall be provided and motivating workers to use them.
* Fringe benefits like accommodation, medical care etc shall be provided to workers.
* Protective equipment / gadgets like helmets, face masks, gumboots etc during working hours shall be provided.
* User friendly / appropriate facilities for disabled workers shall be put in place.
* First aid equipment / kit shall be provided and training workers on how to use it.
* Separate room for storing workers’ belongings shall be provided.
* Guidance and counseling services shall be provided to the workers.

(c) **Prepared human resource plan for the business.**

JERO METAL FABRICATION ENTERPRISE

P.O BOX 739,

MBARARA

0701 739739

HUMAN RESOURCE PLAN

* People working in the business/enterprise. There are 8 workers including the general manager, finance manager, human resource manager, production manager and four casual workers.
* The reporting line of workers. Workers report to the general manager.
* Qualifications of workers. A degree is business administration for the general manager, degree in accounting and finance for finance manager, degree in human resource management for human resource manager, degree in production management for the production manager and ordinary certificate of education for casual workers.
* Duties and responsibilities of workers. The general manager is responsible for the general administration of the enterprise, finance manager is incharge of handling business finances, human resource manager is in charge of employee recruitment, production manager is in charge of production activities/processes and casual workers are involved in cutting metals, cleaning the work place among others.
* Workers’ remuneration. The general manager is paid net salary of shs.1,000,000 per month, each line manager is paid shs.800,000 per month and each casual worker is paid shs.100,000 per month.
* Fringe benefits to workers. All workers are provided with accommodation, transport and food allowances.
* Monitoring and evaluation of workers’ performance. Workers are monitored or supervised by the general manager and evaluated through performance appraisal annually.
* Administrative expenses. Administrative expenses are auditor’s fees, legal fees, stationery and training costs totaling to shs.1,000,000 monthly.

(d) **Designed market survey guide for the business.**

JERO METAL Fabrication enterprise

P.O BOX 739,

MBARARA

0701 739739

Jero metal fabrication enterprise is a manufacturing business that makes metallic doors, windows, tables and chairs. The purpose of this research is to collect market information that is important in producing metallic products that meet the customers’ needs and expectations.

**Details of the respondent:**

Name; .............. Age: ................... Sex: ..................

Marital status: ............................... Location/Address:........................

1. How do you compare our products with those of the rivals? ..........................................(positioning)
2. What do you like about our products? .....................(product)
3. How did you to come to know about our products? .............................................(promotion)
4. Is the price charged for the products affordable? ..............(price)
5. What convenient locations do customers want access products from? ............................(place).
6. General comments about our business: ................................

**MARKET SURVEY GUIDE**

14(a) **Sources of recruitment the business will utilize;**

BIASHARA FURNITURE WORKSHOP

P.O. BOX 100

SOROTI

0772 100 100

SOURCES OF RECRUITMENT TO UTILIZE

* Present employees through promotions.
* Unsolicited applicants / walkins.
* Educational institutions / schools.
* Former employees i.e re-employing former employees.
* Employee referrals.
* Private employment agencies
* Internet
* Advertising the vacancies
* Trade unions / professional associations
* Competing organizations
* Head hunting.

(b) **Price list for the customer**

BIASHARA FURNITURE WORKSHOP

P.O. BOX 100,

SOROTI

0772 100100

Number: 002 Date: 4/6/2022

**PRICE LIST**

To: Mr. Onya Jose

P.O. Box 10, Amuria

|  |  |  |
| --- | --- | --- |
| Serial number | Details / item | Unit price (shs) |
| 001 | Office furniture executive | 2,000,000 |
| 002 | Dining table – set | 1,500,000 |
| 003 | Bed-family | 1,000,000 |

Prepared by; opito max

**OPITO MAX**

**SALES MANAGER**

“The customer is the King”.

**BFW**

(c) **Social responsibilities of the project.**

BIASHARA FURNITURE WORKSHOP

P.O BOX 100

SOROTI

0772 100 100

SOCIAL RESPONSIBILITIES OF THE PROJECT

* Providing / creating employment for the people.
* Providing good quality goods/services
* Providing training facilities.
* Providing market for the products sold by the communities.
* Utilizing the would be idle resources.
* Promoting the development of infrastructure.
* Paying of taxes to contribute to government revenue.
* Conserving the environment / reducing the harmful effects of business activities on the environment.
* Supporting / sponsoring of community development programmes.
* Promoting unity and harmony among the communities.
* Encouraging creativity and innovations among the community members.

(d) **Appreciation letter to the best employee of the year.**

BIASHARA FURNITURE WORKSHOP

P.O BOX 100

SOROTI

0772 100100

4TH JUNE 2022

REFERENCE NUMBER: BFW/AL/4/6/2022

MUKASA PHILIP

P.O BOX 400

MBALE

Dear Sir,

**RE/SUBJECT: APPRECIATION LETTER**

It is my pleasure to inform you that you have been nominated as employee of the year 2021.

The management therefore rewards you with performance bonus of shs.1,000,000 for your hard work, sincerity and dedication through which you performed so impressively to meet 100% accuracy criteria set by Biashara furniture workshop.

Yours faithfully,

Opio james

**OPIO JAMES**

**GENERAL MANGER**

CC: FINANCE MANAGER

15(a) **Cash budget / cash flow statement**.

SEROX TRADERS

CASH BUDGET

FOR THE MONTHS OF MAY TO JULY 2020

|  |  |  |  |
| --- | --- | --- | --- |
| **DETAILS** | **MAY (SHS)** | **JUNE (SHS)** | **JULY (SHS)** |
| Balance b/d | 475,000 | (4,525,000) | (900,000) |
|  |  |  |  |
| **CASH INFLOWS:** |  |  |  |
| Cash sales | 10,000,000 | 9,000,000 | 8,100,000 |
| Commission income | 5,500,000 | 6,050,000 | 6,655,000 |
| Cash from debtors | - | 6,000,000 | 6,000,000 |
| Quality bank loan |  | 4,525,000 | 900,000 |
| **TOTAL CASH INFLOWS** | **15,975,000** | **21,050,000** | **20,755,000** |
|  |  |  |  |
| **LESS: CASH OUTFLOWS** |  |  |  |
| Cash purchases | 9,000,000 | 8,100,000 | 7,290,000 |
| Payments for minibus | 5,000,000 | 6,600,000 | 4,400,000 |
| Salary expenses | 4,000,000 | 4,800,000 | 5,600,000 |
| Loan interest |  |  | 226,250 |
| Commission to sales workers | 500,000 | 450,000 | 405,000 |
| Cash donations | 2,000,000 | 2,000,000 | - |
| **TOTAL CASH OUTFLOWS** | **20,500,000** | **21,950,000** | **17,921,250** |
| **NET CASH POSITION** | **(4,525,000)** | **(900,000)** | **2,833,750** |

(b) **Comment on the trend of the net cash position;**

The net cash position of the business was;

* + - * A deficit of shs.4,525,000 in May 2020.
      * A deficit of shs.900,000 in June 2020.
      * A surplus of shs.2,833,750 in July 2020.

16(a) **Computing the value of;**

1. Gross profit as a % of cost of sales =

**=**

**=** 21.9%

**22%**

1. Employed capital = Total fixed assets + working capital

Working capital = Current assets – current liabilities

= 13,232,000 – 1,222,000

= shs.12,010,000

Employed capital = 6,000,000 + 12,010,00

= Shs.18,010,000

(b) **Calculating and interpreting;**

1. Working capital ratio / current ratio =

**=**

= 10.8:1

**11:1**

**Interpretation:** The business was in position to clear its current liabilities approximately 11 times using its current assets.

1. Acid test ratio =

**=**

**=**

**=**

**=** 1.01:1

**= 1:1**

**Interpretation:** The business was in position to clear its current liabilities once using its liquid/quick assets.

1. Credit payment period =

**=**

**= 1.06 weeks**

**1 week**

**Interpretation:** The business took approximately one week to pay its creditors.

1. Rates of stock turn =

**=**

**= 2.9 times**

**3 times**

**Interpretation:** The business sold and replaced stock approximately 3 times in the trading period / year 2019.

1. Gross profit margin =

**=**

**= 18%**

**Interpretation:** The business realized gross profit of shs.18 for every shs.100 of (net) sales.

17(a) Tajiri’s tax rate =

**=**

**= 6%**

Masikini’s tax rate =

**=**

**= 6%**

**(b)(i) VAT paid on each product.**

VAT paid on shoes =

**=** )

**=**

**=**

**= Shs.2,700,000**

VAT paid on clothes =

**=** )

**=**

**=**

**= Shs.5,400,000**

(ii) Total VAT paid to URA = VAT on shoes + VAT on clothes.

= 2,700,000 + 5,400,000

= Shs.8,100,000

1. Sales value of clothes (VAT exclusive).

= Sales value of clothes – VAT on sales value

=

= Shs.106,200,000 – 16,200,000

= Shs.90,000,000.

(c)(i) VAT chargeable at each stage.

**Stage I:** VAT chargeable = VAT rate x purchase price

=

**= Shs.1,620,000**

**Stage II:** VAT chargeable = VAT rate x value added

=

**=**

**= Shs.900,000**

**Stage III:** VAT chargeable = VAT rate x value added

=

**=**

**= Shs.1,080,000**

**Stage IV:** VAT chargeable = VAT rate x value added

=

**=**

**= Shs.1,440,000**

(ii) Gross sales value the consumer paid;

= Sales value at stage IV + VAT on sales value at stage IV.

= 28,000,000 +

= 28,000,000 + 5,040,000

= Shs.33,040,000.

**OR**

Gross sales value = Sales value at stage IV + Total VAT.

Total VAT = VAT (stages I – IV)

= 1,620,000 + 900,000 + 1,080,000 + 1,440,000

= Shs.5,040,000

Gross sales value = 28,000,000 + 5,040,000

**= Shs.33,040,000.**

**18a) Mr. Hakuna Matata is a corporate entrepreneur because of the following:**

* Works in an existing business enterprise.
* Works as a hired manager / employee.
* Organises and controls resources to make profits for the existing business.
* Identifies new opportunities for the existing business.
* Enjoys benefits of an existing business e.g salary, allowances, and other fringe benefits.

b(i) **Sources available for obtaining confidential report on buyers’ credit worthiness in Uganda are:**

* Buyer’s bank (statements)
* Customer’s creditors / suppliers
* Traders’ associations
* Fellow traders
* Other customers
* National credit bureau

(ii) **Strategies Mr. Hakuna Matata can use to induce his debtors to pay promptly for credit sales.**

* Offering large cash discount.
* Allowing payment in installments.
* Accepting any other forms of payment e.g in kind.
* Offering rewards to debtors who pay promptly.
* Imposing heavy fines and penalities
* Accepting other means of payment i.e instruments of credit.
* Entering into new agreement for longer credit period.
* Demanding and receiving collateral security of a higher value than amount of credit.

c) **How the enterprise controls physical assets**

* Maintaining an asset register
* Insuring the assets
* Labeling / coding the assets
* Maintaining a depreciation schedule.
* Training employees regularly to use the assets properly.
* Ensuring adequate security at work place.
* Using the assets properly for the intended purpose.
* Ensuring proper storage of the assets when not in use.
* Ensuring timely and regular servicing of the assets.

d) **The factors that influence sales in the business**

* Price charged.
* Quality of products
* Level of competition / availability of substitutes.
* Degree of necessity of the products.
* Level of demand.
* Sales effort required to dispose off the products.
* Geographical diversity of markets.
* Customers’ accessibility to the products.

e) **Forms of non-tax compliance Mr. Hakuna Matata may be practicing in the enterprise**.

* Smuggling
* Falsification of documents
* Dumping (as used in taxation)
* Non-filing of returns
* False declaration i.e over and under declaration
* Mis-classification of goods
* False registration
* Failure to keep proper records.
* Undervaluation

19a) **Description of the enterprise should include**

* Business name and address
* Business location
* Product / service offered
* Purpose of the business i.e Vision, Mission, Goal and Objectives
* Target market/customers
* Sources of funds
* Date of establishment (dd mm yy)
* Description of fixed assets
* Nature / type / legal form of business.
* Uniqueness of the enterprise
* SWOT analysis.

b) **How personal attention was paid to customers**

* Keeping promises made with each customer.
* Being physically available to serve customers.
* Appreciating customers by thanking them.
* Communicating with each customer using an appropriate medium.
* Serving customers promptly.
* Providing appropriate advice about products.
* Calling each customer by name or title and talking to him/her with a smile.
* Being simple and friendly with customers.
* Understanding customers’ needs and providing the right products/services.
* Using the most appropriate advertising and sales promotion methods.
* Taking appropriate action to address customers’ concerns / complaints.

c) **Strategies employed to avoid business failure should include any of the following.**

* Ensuring appropriate business location.
* Ensuring good customer care.
* Conducting regular research.
* Providing only good quality products/services.
* Ensuring proper management of business assets, funds, inventory etc.
* Having adequate resources such as capital, labour, raw materials etc.
* Avoiding excessive giving of credit.
* Having/setting clear business objectives.
* Ensuring proper planning for the business/business activities.
* Having regular training of club members/staff.
* Having sufficient/access to support services.
* Ensuring good security.
* Exhibiting or showing good entrepreneurial qualities.

d) **Appropriate measures to maintain the quality of purchases should include;**

* Discussing merchandise returns (returns inwards) with customers
* Ensuring proper handling of purchases
* Dusting and cleaning regularly the purchases on the shelves.
* Checking regularly the goods for damages and expiry dates.
* Spot checking the purchases on arrival.
* Ensuring use of proper storage facilities.
* Motivating the staff
* Constantly carrying out customer survey to get customers’ opinion on quality of products.
* Reducing prices of slow-moving goods so as to dispose them off quickly.
* Setting and maintaining quality standards.

e) **Marketing activities carried out;**

* Carrying out market research to find out needs of the customers.
* Developing the products / services that meet the customers’ needs.
* Pricing the products/services attractively.
* Promoting the products/services
* Selling the products/services
* Distributing the products to customers
* Ensuring good customer care
* Maintaining brand image/good public relations.
* Offering appropriate after sales services.

20 (a) **The type of business mentioned should be any one of the following.**

* Agribusiness
* Manufacturing / processing business
* Trading business
* Service business
* Extraction business
* Sole proprietorship
* Partnership
* Company
* Etc

**NB: The product/service mentioned depends on the type / form of business.**

b) **The procedures followed when analyzing a risk situation the following;**

* Assessing the risk to establish whether there is a potential risk or not.
* Determining goals and objectives to find out if they are in line with the risk.
* Determining alternatives/options available and their respective costs.
* Gathering relevant information about the alternatives and weighting the options.
* Selecting the best alternative.
* Planning and implementing the best selected alternative.

c) **The administrative costs incurred should include;**

* Stationery
* Telephone / communication
* Audit fee
* Legal fee / expenses
* Training costs
* Salaries / wages of office staff

d) **The essential elements of purchasing observed in the business:**

* Right source / origin of goods.
* Ideal quality needed
* Best service offered.
* Right place of delivery
* Exact quantity required
* Right time for purchasing

e) **How the club executives improved the welfare of members should include;**

* Provision of **f**air and prompt pay
* Provision of fringe benefits
* Provision of clean fresh safe drinking water
* Provision of recreational facilities
* Provision of separate room for storing staff belongings
* Provision of regularly cleaned sanitary facilities like, toilets / wash rooms
* Provision of appropriate meals
* Provision of resting time like leave, break time
* Provision of protective equipments / gadgets
* Provision of first aid kit and training members to use it.
* Provision of user friendly facilities for the disabled.
* Provision of appropriate insurance schemes
* Provision of resting rooms or places
* Provision of separate, comfortable ad hygienic place for taking meals.

21a) **Description of the background of the business should include;**

NB: **Refer to question 19(a).**

b) **Precautionary measures being taken in the enterprise to prevent the adverse effects of the business on the natural environment.**

* Re-using waste materials
* Ensuring proper disposal of waste materials.
* Undertaking afforestation and reforestation
* Sensitization of staff and local community about importance of protecting the environment.
* Recycling waste materials
* Using silent machines or those with silencers.
* Ensuring proper land use by mulching, using natural fertilizers.
* Using environment friendly alternative sources of energy eg solar, biogas, etc
* Observing environment protection laws, rules and regulations.
* Compensating and resettling of displaced people.
* Imposing heavy fines and penalties on staff members that recklessly litter the workplace.
* Installing warning notices against destruction of natural environment.

c) **The ways in which the entrepreneur ensures proper lighting in the enterprise:**

* Ensuring proper designing of the work space to allow adequate lighting.
* Painting ceilings and walls white or in light colours to reflect light.
* Providing appropriate artificial lighting adequate for the type of work being done eg by adding light sources.
* Maximizing the use of natural lighting system by providing enough ventilators, windows and doors.
* Regular cleaning and maintenance of light fixtures like bulbs and bulb-holders.
* Making arrangements to lock out light completely eg by switching off artificial lighting when not needed.
* Adding sky lights and ensuring that they are always kept clean eg by roofing the premises with translucent sheets installing glass windows & doors.
* Dusting windows, doors, walls and ventilators to let in adequate natural light.
* Cutting down tree branches, hedges that obstruct light from entering into the work station.
* Providing specific lighting such as adjustable lamps or moveable direct task lighting to ensure accuracy of work.
* Reducing obstruction and eyestrain from glare by repositioning of lamps and furniture or changing of sitting arrangement so that there is no blocking of light or facing to bright light.

d) **Likely causes of employee indiscipline to guard against in the business.**

* Top management not leading by example.
* Discriminative treatment of employees.
* Excessive authority/harsh treatment by management.
* Inconsistence in promoting employees.
* Not involving workers in decision making.
* Poor working condition eg no protective measures/gadgets.
* Insufficient work rules and failure to publish them.
* Lack of concern / empathy for workers’ problems.
* Inconsistent enforcement of work rules leading to unfair punishments
* Existence of communication gap between the management and employees.
* Inadequate monitoring and supervision.
* Defective work assigned to employees.
* Poor pay / remuneration i.e low and non-payment of salaries, wages, allowances as well as delayed pay.

e) **Advice to the business owner about the importance of being tax compliant should include the following.**

* Enables the business to access financial resources from lenders, donors and investors.
* Promotes continuity of business due to limited interference from government.
* Creates good business image/reputation which makes stakeholders to deal with it willingly.
* Helps to attract government support such as provision of investment incentives, security, etc.
* Stimulates work effort / hard work since it makes entrepreneurs be responsible, self reliant and work to meet tax obligations and earn earns.
* Helps to attract potential investors willing to take over the business or buy shares in it.
* Import duties help to safeguard domestic market for local businesses.
* Government uses tax revenue for paying its workers and suppliers which in turn increases demand for the products of businesses.
* Government uses tax revenue for provision of social services which benefits businesses.

22(a)(i) **Objectives of the field trip.**

* To relate theory learnt in classroom to practical work.
* To introduce myself / ourselves to field research.
* To expose myself / ourselves to the business world.
* To visualise what takes place in an enterprise.

**NB: The product / service offered depends on the business activity carried out.**

(ii) **Advice to the business owner about attributes of an appropriate physical layout should include;**

* Minimum movement of materials and staff during operation
* Flexible operations
* Maximum accessibility to all parts of the enterprise.
* Proper security and safety
* Minimum cost
* Efficient utilization / least wastage of materials
* Sufficient employee convenience
* Minimum handling of materials during operations.
* Improved productivity.
* Efficient utilization of available floor space.

b) **Social responsibilities of the business include;**

* Offering employment opportunities to the society.
* Protecting the environment
* Providing social services / infrastructure
* Observing the customs, norms or values of the community.
* Training community members.
* Constantly availing goods/services produced to society.
* Contributing to community development projects.
* Selling good quality commodities in right quantity and at fair price.
* Participating in community social events like ceremonies, recreation, etc.

c) **The factors that determine stock levels in the enterprise are:**

* Lead time
* Nature of stock i.e durable or perishable goods
* Availability of storage space
* Level of demand for stock.
* Amount of working capital
* Stock holding costs
* Terms of purchase offered by suppliers e.g discounts, after sales services, etc
* Rate of stock use by the business.
* Availability of stock / quantity of stock to be bought.

d) **The techniques the proprietor employs to avoid accidents in the enterprise.**

* Ensuring adequate lighting
* Controlling speed of doing work.
* Placing warning notices on walls, machines, doors, machine parts, etc.
* Training staff regularly to minimise accidents.
* Providing appropriate work protective equipment.
* Ensuring effective & efficient supervision and monitoring of work.
* Providing appropriate storage facilities
* Employing only trained / skilled personnel.
* Providing rest time to staff.
* Ensuring proper wiring to avoid electric short circuits.
* Allowing only trained and experienced staff to operate machines, equipment and other tools.
* Maintaining proper health and welfare of the staff.
* Arranging production process in a better way.
* Ensuring regular servicing of machines, tools & equipment.
* Installing fire extinguishers and training staff to use them.

e) **How the entrepreneur minimizes losses in the business?**

* Insuring the business
* Undertaking continuous research to identify causes of losses.
* Ensuring proper accountability and reports
* Strengthening security
* Setting rules and regulations to guide staff
* Employing trustworthy staff
* Ensuring close supervision and monitoring
* Promoting division of labour to avoid role confusion.
* Ensuring proper and safe transportation of goods.
* Controlling vices/diseases and pests that affect products.
* Laying of redundant staff.
* Installing fire extinguishers and training the staff to use them.
* Avoiding unnecessary costs.
* Ensuring proper pricing of commodities.